

PHILIP MORRIS MANAGEMENT CORP.**INTER-OFFICE MEMO**

120 PARK AVENUE, NEW YORK, N.Y. 10017-5592

TO: Distribution**DATE:** October 10, 1997**FROM:** William F. Lynch III**RE:** Records Disposal Suspension Notice

In connection with a recently filed lawsuit against the Company and others, alleging among other things price fixing, the Company is required to retain certain documents and things related to the pricing of cigarettes. The records, which are hereby placed under disposal suspension, include (1) all documents prepared, dated or sent in 1997 consisting of or relating to price lists, price circulars, price change notifications or price announcements for cigarettes; (2) all documents relating to any cigarette price change or price change announcement in (a) March 1997 or (b) August-September 1997, or the reasons therefor; and (3) all documents consisting of or relating to communications in 1997 between any tobacco manufacturer and its wholesalers, brokers, representatives, distributors or retailers servicing Alabama with respect to actual, proposed, suggested or recommended cigarette price increases or price levels. You must keep such disposal-suspended records whether they are paper documents, electronic records (including computer disks and information stored on computer hard drives), or recorded information in any other form. Some or all of those records also may be the subject of prior disposal suspension notices, which remain in effect without change.

If the specified disposal-suspended records exist in paper form, you must keep them, without alteration, organized in the way that you would normally keep them for business purposes (for example, if you usually file them in folders, continue to do so). If electronic records subject to disposal suspension can be printed (e-mail, for example), you should print them and retain them only in printed form. Disposal-suspended electronic records that cannot be printed must be kept in electronic form.

Thank you for your cooperation. If you have any questions regarding this notice, please call me in New York (ext. 4019).

WFL/js

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